

(iv) When an opt-in source does not renew its opt-in permit. The Administrator shall deduct allowances equal in number to and with the same or earlier compliance use date as those allocated to the opt-in source under § 74.40 for the calendar year in which the opt-in source's opt-in permit expires and all future years following the year in which the opt-in source's opt-in permit expires.

(2) After the allowance deductions under paragraph (b)(1) of this section are made, the Administrator will close the opt-in source's unit account in the Allowance Tracking System. If any allowances remain in the opt-in source's unit account after allowance deductions are made under paragraph (b)(1) of this section, and any deductions made under part 77 of this chapter, the Administrator will establish a general account for the opt-in source, and transfer any remaining allowances into this general account. The designated representative for the opt-in source shall become the authorized account representative for the general account.

§ 74.47 Transfer of allowances from the replacement of thermal energy—combustion sources.

(a) *Thermal energy plan*—(1) *General provisions.* The designated representative of an opt-in source that seeks to qualify for the transfer of allowances based on the replacement of thermal energy by a replacement unit shall submit a thermal energy plan subject to the requirements of § 72.40(b) of this chapter for multi-unit compliance options and this section. The effective period of the thermal energy plan shall begin from January 1 of the first full calendar year for which the plan is approved and end December 31 of the last full calendar year for which the opt-in permit containing the plan is in effect.

(2) *Applicability.* This section shall apply to any designated representative of an opt-in source and any designated representative of each replacement unit seeking to transfer allowances based on the replacement of thermal energy.

(3) *Contents.* Each thermal energy plan shall contain the following elements in a format prescribed by the Administrator:

(i) The calendar year that the thermal energy plan takes effect, which shall be the first year the replacement unit(s) will replace thermal energy of the opt-in source;

(ii) The name, authorized account representative identification number, and telephone number of the designated representative of the opt-in source;

(iii) The name, authorized account representative identification number, and telephone number of the designated representative of each replacement unit;

(iv) The opt-in source's account identification number in the Allowance Tracking System;

(v) Each replacement unit's account identification number in the Allowance Tracking System (ATS);

(vi) The type of fuel used by each replacement unit;

(vii) The allowable SO₂ emissions rate, expressed in lbs/mmBtu, of each replacement unit for the calendar year for which the plan will take effect. When a thermal energy plan is renewed in accordance with paragraph (a)(9) of this section, the allowable SO₂ emission rate at each replacement unit will be the most stringent federally enforceable allowable SO₂ emissions rate applicable at the time of renewal for the calendar year for which the renewal will take effect. This rate will not be annualized;

(viii) The estimated amount of total thermal energy to be reduced at the opt-in source, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application;

(ix) The estimated total thermal energy at each replacement unit for the year prior to the year for which the plan is to take effect, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application;

(x) The estimated amount of total thermal energy at each replacement unit after replacing thermal energy at the opt-in source, including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application;

(xi) The estimated amount of thermal energy at each replacement unit,

including all energy flows (steam, gas, or hot water) used for any process or in any heating or cooling application, replacing the thermal energy at the opt-in source;

(xii) Estimated total annual fuel input at each replacement unit after replacing thermal energy at the opt-in source;

(xiii) The number of allowances calculated under paragraph (b) of this section that the opt-in source will transfer to each replacement unit represented in the thermal energy plan.

(xiv) The estimated number of allowances to be deducted for reduced utilization under § 74.44;

(xv) Certification that each replacement unit has entered into a legally binding steam sales agreement to provide the thermal energy, as calculated under paragraph (a)(3)(xi) of this section, that it is replacing for the opt-in source. The designated representative of each replacement unit shall maintain and make available to the Administrator, at the Administrator's request, copies of documents demonstrating that the replacement unit is replacing the thermal energy at the opt-in source.

(4) *Submission.* The designated representative of the opt-in source seeking to qualify for the transfer of allowances based on the replacement of thermal energy shall submit a thermal energy plan to the permitting authority by no later than July 1 of the calendar year prior to the first calendar year for which the plan is to be in effect. The thermal energy plan shall be signed and certified by the designated representative of the opt-in source and each replacement unit covered by the plan.

(5) *Retirement of opt-in source upon enactment of plan.* (i) If the opt-in source will be permanently retired as of the effective date of the thermal energy plan, the opt-in source shall not be required to monitor its emissions upon retirement, consistent with § 75.67 of this chapter, provided that the following requirements are met:

(A) The designated representative of the opt-in source shall include in the plan a request for an exemption from the requirements of part 75 in accordance with § 75.67 of this chapter and

shall submit the following statement: "I certify that the opt-in source ("is" or "will be", as applicable) permanently retired on the date specified in this plan and will not emit any sulfur dioxide or nitrogen oxides after such date."

(B) The opt-in source shall not emit any sulfur dioxide or nitrogen oxides after the date specified in the plan.

(ii) Notwithstanding the monitoring exemption discussed in paragraph (a)(5)(i) of this section, the designated representative for the opt-in source shall submit the annual compliance certification report provided under paragraph (d) of this section.

(6) *Administrator's action.* If the permitting authority approves a thermal energy plan, the Administrator will annually transfer allowances to the Allowance Tracking System account of each replacement unit, as provided in the approved plan.

(7) *Incorporation, modification and renewal of a thermal energy plan.* (i) An approved thermal energy plan, including any revised or renewed plan that is approved, shall be incorporated into both the opt-in permit for the opt-in source and the Acid Rain permit for each replacement unit governed by the plan. Upon approval, the thermal energy plan shall be incorporated into the Acid Rain permit for each replacement unit pursuant to the requirements for administrative permit amendments under § 72.83 of this chapter.

(ii) In order to revise an opt-in permit to add an approved thermal energy plan or to change an approved thermal energy plan, the designated representative of the opt-in source shall submit a plan or a revised plan under paragraph (a)(4) of this section and meet the requirements for permit revisions under § 72.80 and either § 72.81 or § 72.82 of this chapter.

(8) *Termination of plan.* (i) A thermal energy plan shall be in effect until the earlier of the expiration of the opt-in permit for the opt-in source or the year for which a termination of the plan takes effect under paragraph (a)(8)(ii) of this section.

(ii) *Termination of plan by opt-in source and replacement units.* A notification to terminate a thermal energy